

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the matter of the

Facilitation of a Commission-led
workshop series on the Climate
Commitment Act.

DOCKET NO. U-230161

Northwest & Intermountain Power
Producers Coalition Comments on
CCA Dispatch Cost Modeling

I. COMMENTS

The Northwest & Intermountain Power Producers Coalition (“NIPPC”) provides these comments pursuant to the Washington Utilities and Transportation Commission’s (the “Commission’s”) October 23, 2023 Notice of Opportunity to file written comments (“Notice”), particularly on the issue of utilities incorporating Climate Commitment Act (“CCA”) costs in dispatch.¹ As noted in NIPPC’s May 2023 comments, NIPPC strongly supports requiring utilities that are allocated free allowances to impute the full cost of carbon (including both the social cost of greenhouse gases and the market price of allowances) in all dispatch decisions.² NIPPC has organized these comments by the Commission’s questions in the Notice.³ NIPPC looks forward to reviewing other stakeholders’ comments and further discussing this issue at the November 8, 2023 workshop.

¹ Notice of Opportunity to File Written Comments and Questions for Pre-Workshop Written Comments at 1-2 (Oct. 23, 2023).

² NIPPC Comments at 2 (May 10, 2023). NIPPC also maintains the full cost of carbon should be imputing in bids into competitive power markets and procurement and investment decisions.

³ NIPPC is not addressing the Commission’s questions on risk-sharing at this time.

Question 5: Should the Commission require utilities to include GHG costs in their dispatch modeling?

Yes. Utilities that are allocated free allowances should impute the full cost of carbon (including both the social cost of greenhouse gases and the market price of allowances) in all dispatch decisions.

Question 6: What information is needed/readily available to effectively model GHG costs in dispatch, and what assumptions can be made to navigate any potential data limitations?

NIPPC's view is that utilities should incorporate both the social cost of greenhouse gases and the market price of allowances in their dispatch decisions. Both data sets of information that should be incorporated are publicly available.⁴

Question 7: What effect would the inclusion of GHG costs in dispatch modeling have on customers?

NIPPC emphasizes that it is concerned with the negative effects on customers from *not* including the full cost of carbon in dispatch decisions, thus NIPPC believes including the full cost of carbon will have a net benefit on customers. Absent the inclusion of the full cost of carbon in dispatch, utilities will likely view their no-cost allowances as effectively lowering the price of dispatching utility resources. This will negatively impact the competitive market by giving an unfair price advantage to utility resources over their generation and marketing competitors, thereby distorting which

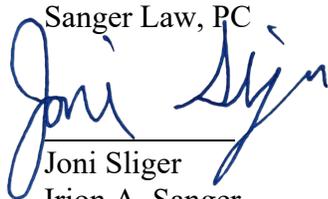
⁴ Social Cost of Carbon, UTC, <https://www.utc.wa.gov/regulated-industries/utilities/energy/conservation-and-renewable-energy-overview/clean-energy-transformation-act/social-cost-carbon>; e.g., Department of Ecology, Washington Cap-and-Invest Program Auction #3 August 2023 Summary Report at 1 (Sept. 6, 2023), available at <https://apps.ecology.wa.gov/publications/documents/2302060.pdf>.

generators serve load in the region and in Washington. It will also effectively prevent true economic dispatch that considers the reality that carbon emissions have a cost on ratepayers and others. Ultimately NIPPC believes failing to include the full cost of carbon in dispatch decisions will harm customers and burden efforts to achieve Washington's carbon reduction goals.

NIPPC appreciates this opportunity to comment.

Dated this 3rd day of November 2023.

Respectfully submitted,

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